

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:

JEFFREY MARTIN FELDMILLER and
SANDRA LEE FELDMILLER

Debtors.

Lead Bankr. Case No. 15-11089-TPA

Chapter 13

RONDA J. WINNECOUR, CHAPTER 13
TRUSTEE Movant

v.

NEWREZ, LLC D/B/A SHELLPOINT
MORTGAGE SERVICING,

Respondent

**NEWREZ, LLC D/B/A SHELLPOINT MORTGAGE SERVICING'S RESPONSE TO
ORDER TO SHOW CAUSE**

NewRez, LLC d/b/a Shellpoint Mortgage Servicing (hereinafter "NewRez"), by and its counsel, Keri P. Ebeck, Esquire files this Response to the Court's Order to Show Cause and state as follows:

FACTUAL BACKGROUND

1. The Trustee filed her Notice of Final Cure on October 12, 2020 at Doc. No. 74.
2. NewRez filed its Response to the Notice of Final Cure on October 27, 2020 at Doc. No. 77 disagreeing with the post-petition status.
3. Trustee filed her Motion to Determine of Final Cure on October 29, 2020 at Doc. No. 78.
4. A Status Conference was scheduled for December 9, 2020 before this Honorable Court.

5. For failure to appear at the status conference, along with the other pending matters, an Order to Show Cause was issued against NewRez on December 14, 2020 at Doc. No. 89.
6. On December 15, 2020, this Honorable Court issued an Order granting Trustee's Motion for Determination of Final Cure at Doc No. 90, deeming the mortgage current through October 2020.

RESPONSE

7. NewRez hired Bonial & Associates, P.C. (BPC) located in Dallas, Texas to review this notice of final cure and assist in filing a response to same. Mukta Suri is an attorney of BPC and licensed to practice law in Texas.
8. NewRez and BPC have reviewed the issues raised in Feldmiller and its notice of final cure response procedures.
9. In this matter, the Debtors' mortgage loan was not properly audited prior to filing a response. NewRez understands that at the conclusion of a chapter 13, specifically, in this district, when a notice of final cure is filed, all avenues and audits need to be completed to ensure proper payment application in accordance with all filed notice of payment change orders, notices of post-petition expenses, and all trustee payments.
10. Additionally, BPC, as its counsel has discussed the matters with NewRez and both NewRez and BPC have reviewed their procedures and enhanced their quality control over these matters.
11. Additionally, NewRez and BPC prior to filing any further responses to notices of final cures will be taking the additional steps to discuss any discrepancies with the Chapter 13 Trustee's office, review the Chapter 13 Trustee ledger in depth, and discuss with local counsel prior to filing a disagree response.

12. Attached as Exhibit A is an affidavit of Paul Cervenka, who is the Managing Bankruptcy Partner for BPC.
13. Both NewRez and BPC realize that by filing a response that indicates, “Disagree” in this matter and the failure to appear at the December 9, 2020 status conference, that the Debtors have incurred fees and costs. Per discussions with Debtors’ counsel, NewRez will be paying \$500 to the Debtors and \$500 to Debtors’ counsel. This was a number that was provided by Debtors’ counsel to compensate for his time and the Debtors’ time.
14. While NewRez and BPC cannot make the Chapter 13 Trustee whole in the same way, it has reassured through undersigned counsel of the procedures going forward to make sure these issues do not rise again.
15. Additionally, it was certainly never NewRez or BPC’s intention to ignore this Court’s Order scheduling the December 9, 2020 Status Conference.
16. NewRez and BPC had retained KML Law Group, LLC to attend the December 9th status conference. For an unknown and inadvertent reason, KML failed to attend. KML takes full responsibility for its failure and should not reflect on NewRez as a disregard for this Court’s Orders. A true and correct copy of the Affidavit of Brian Nicholas, Managing Bankruptcy Partner with KML Law Group, LLC is attached as Exhibit B.
17. NewRez and BPC will be working with undersigned counsel on all Western District Bankruptcy Court Notice of Final Cure responses going forward to ensure complete compliance and audit of every response.
18. As the Chapter 13 Trustee and this Honorable Court is aware, undersigned counsel is well versed in notice of final cure procedures in this district and will be providing guidance on future responses.

19. While NewRez and BPC understand the Court's concerns addressed in its Order to Show Cause, it has taken all steps and actions to properly reflect on each issue and address them to make sure that these issues do not persist.

20. NewRez and BPC also understand that the Court may still want to proceed with the hearing and would respectfully request that NewRez, specifically Jack Navarro, Chief Executive Office be excused from attending. Any specific information as to the above or set forth in the affidavit can be addressed by a representative of NewRez and BPC as specifically set forth in the Order to Show Cause.

BERNSTEIN-BURKLEY, P.C.

By: /s/ Keri P. Ebeck
Keri P., Ebeck, PA ID No. 91298
kebeck@bernsteinlaw.com
707 Grant Street, Suite 2200
Pittsburgh, PA 15219
T: (412) 456-8100
F: (412) 456-8135

*Attorney for Respondent NewRez, LLC d/b/a
Shellpoint Mortgage Servicing*